



GRAIN TRANSPORTATION REPORT

Shipper and Exporter Assistance Program
Transportation and Marketing Division
Agricultural Marketing Service
United States Department of Agriculture

November 10, 1997

USDA Files Comments With The STB. Comments were filed by USDA with the Surface Transportation Board (STB) in several railroad regulatory proceedings now being decided by the STB. On October 21, comments were filed at the STB on the \$10.2 billion sale and proposed acquisition of Conrail by the Norfolk Southern Corp. (NS) and the CSX Corp. USDA indicated in those comments that although it was concerned with the greatly increased concentration in the U.S. railroad industry, it would neither support nor oppose the acquisition of Conrail by the other two railroads. This position was based on analysis by USDA over a period of 9 months which revealed little potential for any anti-competitive effect. The analysis also revealed there would be little cost savings to agricultural shippers from the proposed merger. On October 23, USDA also filed comments in an STB proceeding which was initiated to collect information and recommendations to improve railroad service in the western United States. USDA comments in this proceeding indicated a concern with the level of rail services being provided agricultural shippers, and specifically requested that: (1) the STB require the Union Pacific/Southern Pacific (UP/SP) railroad provide information by which railroad services to agricultural shippers could be monitored, and (2) the STB require other railroads to provide service to UP/SP shippers in certain limited circumstances. USDA Assistant Secretary Michael Dunn delivered these comments in an open forum on these issues at the STB hearing on October 27. As a result of this hearing, on November 3, the STB declared a "transportation emergency in the West" due to UP/SP's freight delays, and ordered the UP/SP to open a portion of its Houston freight business to the Kansas City Southern Railroad (Tex-Mex) for the next 30 days (until December 4). The STB has the authority to extend the order for another 240 days, and may elect to do so at a hearing scheduled for December 3, if shippers continue to voice complaints to the STB about service-related problems on the UP/SP system.

Customers Voice Concern About Breakup Of Conrail. Shippers and government officials have voiced concern with changes that will be created when Conrail is merged by the CSX and NS into their respective rail networks. The merger application filed with the STB has raised significant concerns about issues such as trackage rights, competition, and service. For instance, Maine's department of transportation fears that the "transaction cannot ultimately prove beneficial unless competitive access for two Class I carriers is provided" in their State. The Chemical Manufacturers Association (CMA) and the Society for the Plastics Industry (SPI) said "as the UP/SP merger has shown, there is very little room generally for errors in rail mergers. A generation ago, if a merger created a bottleneck, there was usually another railroad available to route around the problem. That flexibility is gone today." The CMA and SPI said there is broad concern about operating plans for "shared assess areas." Also, shippers said that information systems for managing acquired properties must be in place, so a repeat of problems being experienced by UP/SP customers doesn't occur.

River Situation. At the Melvin Price Locks and Dam during the previous 24 hours ending midnight Sunday (Nov. 9), 9 tows with 84 barges passed upbound, and 12 tows with 145 barges passed in the downbound direction. Also, on Nov. 9, a 4 hour transit delay had tows backed up at Lock & Dam 25. On Monday (Nov. 10), at 6:00 a.m., there were no tows waiting to go upbound, and one waiting to go downbound. In the Columbia River Basin on Friday (Nov. 7), 5 vessels were at berth loading, while 5 waited.

This report is prepared by Bill Dunton, Traffic Management Specialist. Other contributors to this report include Karl Hacker, Nick Marathon, and Paul Bertels, Agricultural Economists, AMS, Transportation and Marketing Division - (202) 690-1303. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. Reach us on the Internet at www.usda.gov/ams/tmd/grain.htm.

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SOUTHBOUND BARGE FREIGHT RATES*

Week Ended October 31

River/Region	Contract Period	Rate**
Illinois River	November	140.0

* Based on Actual Trades from the Merchants Exchange of St. Louis Barge Call Session

** Rates are Quoted as a Percentage of the 1976 Tariff Benchmark

PROJECTED 1997/98 MARKETING YEAR SOYBEAN SUPPLY AND USE*million metric tons*

	U.S.	Major Exporters	World
Beginning Stocks	9.11	11.87	16.72
Production	59.24	38.53	131.36
Domestic Use	40.32	91.23	135.58
Exports	23.17	7.14	35.98
Ending Stocks	4.99	9.29	12.77

Major exporters include Argentina, Brazil and Paraguay.

Source: World Agricultural Supply and Demand Estimates, USDA, October 10, 1997.

WEEK
ENDED

1997

COMPARABLE WEEK
1996

INSPECTIONS FOR EXPORT

1,000 Bushels

Oct 2	89,867 *	72,229
Oct 9	89,746 *	53,389
Oct 16	96,044 *	77,490
Oct 23	90,544 *	95,461
Oct 30	88,187	99,634
Calendar Year to Date	3,039,632 *	3,493,547

* Revised

RAIL CARLOADINGS

Carloads

Oct 4	24,636 *	17,873 *
Oct 11	25,968 *	24,526 *
Oct 18	25,099 *	28,446 *
Oct 25	26,631 *	29,567 *
Nov 1	24,449 *	30,533 *
Calendar Year to Date	1,020,753 *	1,034,939 *

* Revised - Soo Line Not Included

RAIL DELIVERIES TO PORT

Carloads

	North Atlantic	So. Atlantic & Gulf	Pacific Coast	North Atlantic	So. Atlantic & Gulf	Pacific Coast
Oct 1	29	3,089	3,249	0	1,324	1,373
Oct 8	171	2,301	3,866 *	0	822	1,979
Oct 15	136	2,802	3,359	0	1,839 *	3,031
Oct 22	152	2,692	3,724	0	2,943	4,166
Oct 29	250	2,701	3,907	7	3,236	4,378
CY to Date	1,982	99,134 *	156,732 *	2,620	123,219 *	163,209

* Revised

BARGE GRAIN MOVEMENTS

1,000 Tons

River / Lock Number	Week ending 11/1/97					Week ending 11/2/96				
	CORN	WHT.	SOY	OTHER	TOTAL	CORN	WHT.	SOY	OTHER	TOTAL
Miss./15	227	0	70	2	299	458	12	80	2	551
Miss./25	405	3	282	3	693	427	24	151	3	605
Miss./26	701	3	394	5	1,102	846	24	236	3	1,108
Miss./27	709	16	406	5	1,136	885	24	255	3	1,167
Ill. /8	202	0	83	1	287	300	0	70	0	370
Ohio /52	41	10	44	84	179	81	0	14	119	215
Ark./1	0	13	28	0	40	0	15	21	0	36

Calendar year totals for Miss./27, Ohio/52 and Ark./1:

Year	Corn	Wheat	Soybeans	Other Grains	Total
1997	23,768	2,369	7,588	2,762	36,486
1996	27,043	2,129	6,665	3,365	39,202

Other grains include barley, sorghum and oats. Totals may not add due to rounding. Data source: U.S. Army Corps of Engineers.

MAJOR EXPORT SALES **1,000 Metric Tons*

WEEK ENDED					COMPARABLE WEEK		
		WHEAT	1997 CORN	SOYBEANS	WHEAT	1996 CORN	SOYBEANS
Oct	2	4,678	7,487	10,370	3,898	14,778	5,725
Oct	9	4,587	7,279	10,722	4,073	15,080	6,704
Oct	16	4,239	7,126	9,869	3,762	14,605	7,502
Oct	23	4,414	7,121	8,897	3,654	14,537	7,613
Oct	30	4,248	7,299	8,105	3,538	14,298	7,545

*Unshipped Balances-Current & Next Marketing Year

GULF COAST OCEAN GRAIN VESSELS

		IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS			IN PORT	LOADED 7 DAYS	DUE NEXT 10 DAYS
Oct	9	31	54	62			31	43	71
Oct	16	37	46	64			34	42	68
Oct	23	30	61	60			43	43	58
Oct	30	34	50	67			50	52	82
Nov	6	35	56	75			57	52	71

AVERAGE GRAIN PRICES*Dollars Per Bushel*

		WHEAT	CORN¹	SOYBEANS²			WHEAT	CORN¹	SOYBEANS²
Oct	3	3.71	2.59	6.25			4.73	3.05	7.44
Oct	10	3.83	2.82	6.66			4.75	3.09	7.32
Oct	17	3.91	2.81	6.98			4.79	2.91	6.88
Oct	24	3.99	2.80	6.85			4.77	2.85	6.95
Oct	31	3.90	2.76	6.80			4.72	2.73	6.87

(Wheat-#1 HRW-ORD., Kansas City; Corn-#2 Yellow, Chicago; Soybeans-#1 Yellow, Chicago)

¹ Bought to arrive 15 days; ² Bought to arrive 30 days.**OCEAN FREIGHT RATES****Dollars/Tons - Basis Vessel Size/Ton*

U.S. Loading Port	Destination	Estimated Freight Rates	Dates of Movement
St. Lawrence	Iran	\$20.00 - (50M)	November
Pacific Northwest	Japan	\$13.25 - (54M)	November
Gulf	Japan	\$23.00 - (54M)	December
Gulf	China	\$22.00 - (50M)	November
Gulf	Morocco	\$12.50 - (30M)	November
Gulf	Hamburg	\$11.50 - (60M)	November

*These ocean fixtures are based on full ship charters.